

The QSA and Its Impact on California Water

June 5, 2003





Southern California's Historic Imported Water Supply Foundation

- Colorado River Aqueduct:
 - Historic backbone, low-cost core supply
 - Past and current regional and state planning relies upon full Colorado River Aqueduct
- State Water Project:
 - Historic supplement to Colorado River supply
 - Supply varies widely each year with runoff
 - All CalFed plans to improve State Water Project assume a full Colorado River Aqueduct
 - Lower Colorado River supplies puts added stress on State Water Project



Stresses to Southern California's imported water supply foundation

Colorado River Aqueduct:

- Built to carry 1.25 million acre-feet a year
- So Cal's imported supply cut by more than half this year
 - Supply reduced by 655,300 af

State Water Project (SWP):

- No new or additional water supplies from SWP anticipated
- Supply varies widely year to year:
 - 1991 – 20%
 - 2000 – 100%
 - 2001 – 39%
 - 2002 – 65%



State Water Project in 2003

- Late-season storms increased allocation
- SWP allocation increased in late April and early May
 - MWD will receive a minimum of additional 400,000 af this year (total of 1.4 million af)
- Before April 22nd, SWP allocation was at 50% (1 million af)



300,000 AF gap in Southern California's imported core supply this year

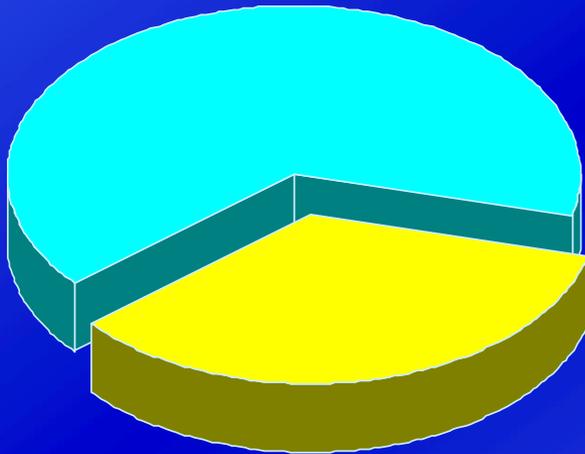
- 2003 revised demand = 2.3 million af
- 2003 core supply = 2.0 million af
 - SWP = 1.4 million af
 - CRA = 594,300 af
- 2003 water supply gap = 305,700 af
- Before April 22, gap was 705,700 af



Southern California's imported water supply

Historic (1991-2001) Core Supply

Colorado
River:
1,250,000 af

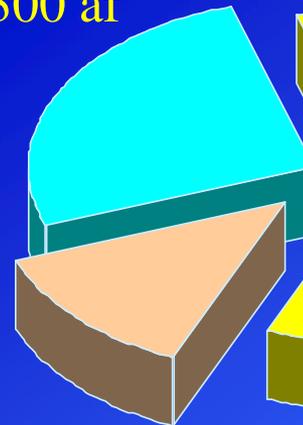


SWP:
676,000 af

Total = 1.9 maf

2003 Supply

Colorado
River:
594,300 af



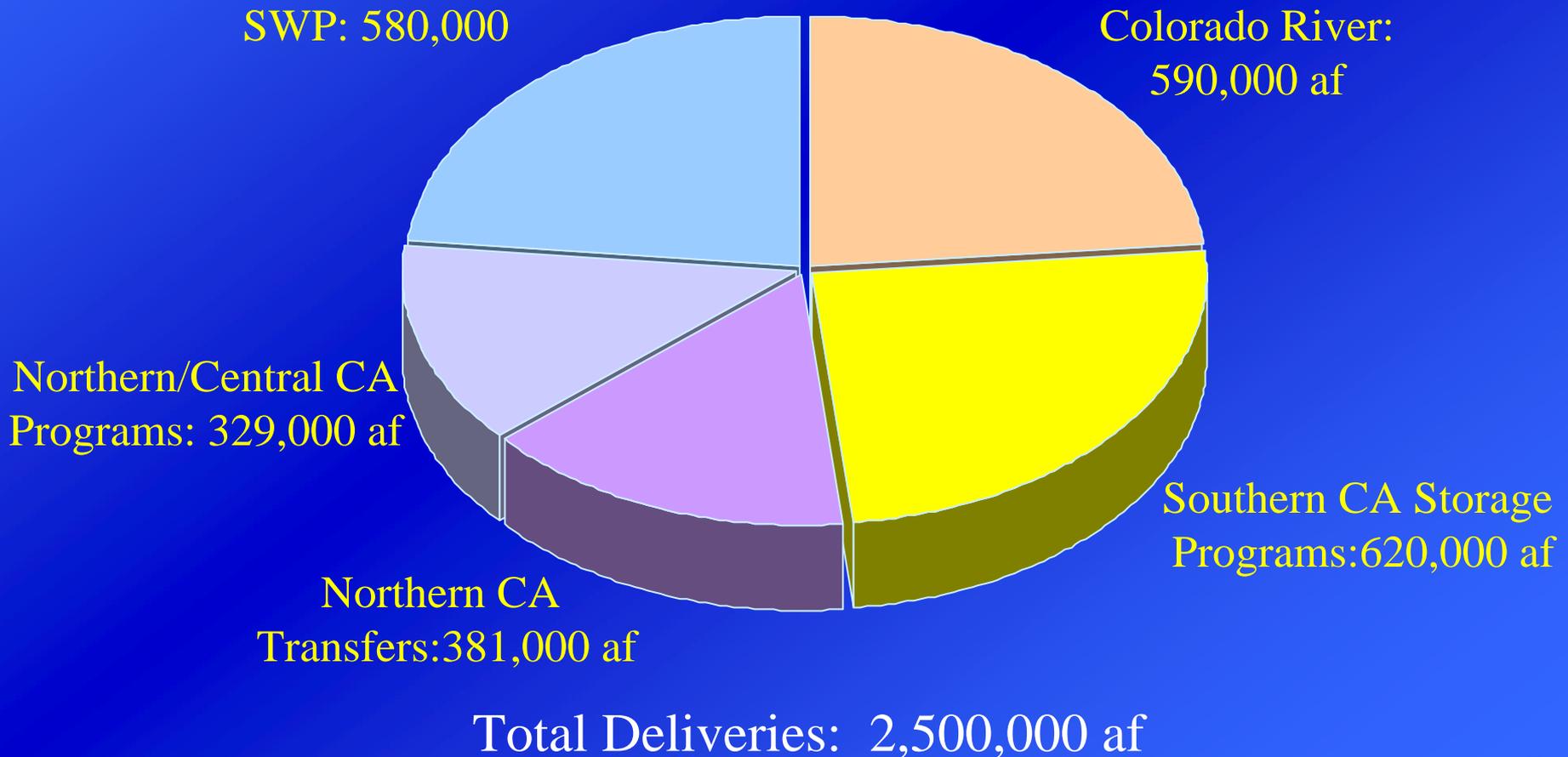
Transfers/Storage
305,700 af

SWP:
1,400,000 af

Total = 2.3 maf



Southern California's imported DRY year water supply WITHOUT QSA





Additional Supplies Needed At 50% SWP Allocation

Replacement Supply Source	Amount (AF)
Arizona groundwater	80,900
Arvin Edison/Kern County	48,000
Sacramento Valley transfers	133,600
Desert Water Agency/CVWD exchange	27,500
San Bernardino Valley MWD program	30,000
Semitropic	70,000
Additional Northern/Central CA transfers	194,000
Total	584,000



Quantification Settlement Agreement (QSA)

- Involves four water agencies:
 - Metropolitan Water District of Southern California
 - San Diego County Water Authority
 - Imperial Irrigation District
 - Coachella Valley Water District
- Includes eight core, long-term water supply programs that provide up to 36 million acre-feet
- Gives California 14 years to implement transfers and other programs to reduce state's draw on Colorado River from 5.2 million acre-feet to its 4.4 million acre-feet basic annual apportionment (a "soft landing")
- Resolves long-standing conflicts between water agencies



Quantification Settlement Agreement (Continued)

- Agreement quantifies and limits agricultural agencies' (IID and Coachella) Colorado River water use
- Water conserved by agricultural agencies moves to urban agencies
- Encompasses dozens of legal documents and agreements among the water agencies
- QSA's December 31, 2002, deadline missed
- Revised 2003 QSA agreement reached by State and 4 Agencies' negotiators March 12, 2003

QSA Unlocks Up to 36 Million af of Supplies

QSA Core Programs	Annual Yield	Long-Term Yield
SDCWA-IID Transfer	200,000 ¹ af	17 million ² af
MWD-IID Transfer	110,000 af	1.6 million ³ af
CVWD-IID Transfer	100,000 af	3.2 million af
MWD-Palo Verde Irrigation District (PVID) Transfer	78,600 ⁴ af	2.75 million af
All American-Coachella canal lining water to MWD	77,700 af	8.5 million ⁵ af
Elimination of CVWD call rights on MWD-IID transfer	30,000 ⁶ af	750,000 af
AAC/CC canal lining water to San Luis Rey Indians	16,000 af	1.8 million ⁷ af
Reduction in MWD's Present Perfected Rights obligations	14,500 af	1.1 million af
QSA Core Programs' Total	626,800 af	36.7 million af
Amount of QSA Core Program water made available to MWD Service Area	526,800 af	33.5 million af
Interim Surplus Guidelines' Water to MWD	178,571 ⁸ af	2.5 million af
Total amount of water made available to MWD service area through the QSA	705,371 af	36 million af

(1) Annual yield after initial ramp-up. (2) Total water deliveries for 75 years; first 45-year term yield: 10 million af. (3) Through the QSA, MWD gains a 15-year extension to its existing agreement with IID. (4) Average annual yield; annual range is up to 111,000 af. (5) Program lasts for 110 years. (6) CVWD call rights are 50,000 af/year on the 1988 MWD-IID transfer. Through the QSA, CVWD gives up that call right in return for 20,000 af/year from MWD, for a net gain to MWD of 30,000 af/year. (7) For first 110 years. (8) Averaged over the 14 years of the Interim Surplus Guidelines operation.



No-QSA Alternative: Northern / Central CA Impacts

- Increased Pressure on Northern and Central water supplies
- To replace lost Colorado River surplus includes actions such as:
 - 133,000 AF from Rice Farmers in 2003 (Sacramento Valley)
 - 194,000 AF in additional (North and Central Valley) water transfers planned at 50% SWP allocation
 - If enhanced conservation is not achieved, more transfers will be needed
 - Unprecedented, rapid draw-down of storage



QSA Benefits to Urban Southern California

- Short-term benefits:
 - Interim Surplus Guidelines
 - Relief from water quality concerns



QSA Benefits to Urban Southern California

- Long-term benefits:
 - Up to 36 million acre-feet of water supplies
 - Relief from a portion of miscellaneous PPRs
 - Quantification of agricultural water
 - AAC lining for 110 years
 - Ability to implement Palo Verde Irrigation District program
 - Freedom to pursue additional transfers
 - Relief from Coachella call rights on IID/MWD transfer
 - Additional 15 years for MWD/IID transfer